

INNOVATION AND ENTREPRENEURSHIP: CATALYSTS FOR REDUCING YOUTH UNEMPLOYMENT IN NIGERIA

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ABSTRACT

This study examined how innovation and entrepreneurship can serve as catalysts for the reduction of youth unemployment in Nigeria. The main objective of the study is to evaluate how innovation and entrepreneurship can help reduce youth unemployment. The study used primary data generated from five hundred questionnaires administered to self-employed youths that manage their private businesses in Ota, a small town in Ogun State, Nigeria using the purposive sampling technique. The data was analysed using frequency tables and multiple regression analysis. The results reveal that there is a significant relationship between innovation and entrepreneurship and youth unemployment. Therefore, the study recommends that the Federal Government of Nigeria should establish training centres and the necessary equipment where youths can acquire entrepreneurial skills; as well as provide funds in form of loans that youths can easily access to set up businesses.

1. INTRODUCTION

Innovation is to think out of the box and think differently. It is all about finding new things, ideas, concepts, developments, improvements, and ways to do things and to obtain strategic advantages. Some innovations are based on already existing form, composition, process, and idea while some are based on radical or breakthroughs. Business innovators define it as new idea, method or device that meets the needs of a targeted customer-base and that is accessible to them which create something that has financial value to the company. Sometimes, innovation is referred as new technology, but many innovations are neither new or involves new technology. The concept of self-service popularized by McDonald's, involved running a restaurant in a different way rather than making a technological breakthrough. Innovation management is a two steps process, that is, idea management and design control. Idea management involves new product proposal, detailed market analysis and thorough review while design control involves design planning, review, output, verification, validation and evaluation of customer perceptions, (Ali, Ullah and Khan, 2014). Innovation has been and must continue to be a major driver of rising living standards.

The discipline of entrepreneurship generally studies the why, when and how of opportunity creation, recognition and utilization for providing goods and services through the creation of new firms (start-ups) and within existing firms for both profit and non-profit purposes. Not all opportunity creation will necessarily be in society's best interest. The reward structure of a society can also lead to a destructive allocation of entrepreneurial talent. The focus here is on productive entrepreneurial activity. This consists of the creation, recognition and utilization of *positive* opportunities in such a way that involves "innovation"—or the provision of "new combinations"—of products and/or processes. Entrepreneurship is the quality of being an entrepreneur, it puts

emphasis on the risk and efforts taken by individuals who manage or own a business, and on the innovations resulting from their pursuit of economic success. An entrepreneur is an innovator - a generator of new ideas and business processes. The word entrepreneur was coined from a French word 'entreprendre' which means a person who voluntarily heads a military expedition. It was first used during the first military history in the seventeenth century (Emmanuel, 2008). Entrepreneurship has no universal definition it has been defined by many authors and individuals.

According to Stevenson and Gumpert (1985), entrepreneurship is the process of creating value by pulling together a unique package of resources to exploit an opportunity. Bygrave and Hofer (1991) defined it as a process of creating a new organization and pursuing it. This process involves all functions, activities and actions associated with the perceiving of opportunities and the creation of organizations to pursue them. Abraham (1999) defined it as a process that has to do with the conceptual approach to doing new things, within a new philosophy of value, purpose, utility, quality and use which satisfies needs. Reiss (2000) defined it as the recognition and pursuit of opportunity without regard to one's current control resources, with confidence and assurance of success, and with the flexibility to change topic as necessary and the will to rebound from any setback (Emmanuel, 2008).

Every society across the globe has its peculiar problems and challenges. Nigeria is not an exception. As a developing country, she faces her own share of social, political, economic and cultural problems which has in no small measure affected the well-being of the populace. Such problems bedeviling the country include youth's unemployment and the rising wave of crime, which have serious implications for the growth of the nation. Unemployment rate in Nigeria has continued to be on the increase despite the abundant human and natural resources available in the country. Chronic youth's unemployment is evident in Nigeria. Every year, thousands of graduates are produced but there

are no jobs for majority of them. Nigerian streets are littered with youth hawkers who ordinarily would have found gainful employment in some enterprise (Okafor, 2011). The large number of youths who are unemployed is capable of undermining democratic practice as they constitute a serious threat if engaged by the political class for underground and criminal activities (Adepegba, 2011; Ibrahim, 2011; Lartey, 2011; Olatunji and Abioye, 2011; Okafor, 2011).

There seems to be a consensus on the definition of unemployment. Simply put, unemployment describes the condition of people who are without jobs (Okafor, 2011). The International Labour Organization (ILO) defines the unemployed as the number of the economically active population who is without work but available and seeking work, including people who have lost their jobs and those who have voluntarily left work (World Bank, 1993). According to the National Bureau of Statistics (2009), the labour force of a country is a set of people or citizens who are willing and are able to make available at any given point in time their efforts for gainful employment, while the unemployed are the individuals with no work, but are looking for work at the time of any study. Various forms of unemployment have been identified by scholars. These include seasonal, frictional, cyclical, and structural unemployment (Adebayo, 1999; Damachi, 2001; Hollister and Goldstein, 1994; Todaro, 1992). Unemployment is a global trend but it occurs mostly in the developing countries of the world, with social, economic, political and psychological attendants. Thus massive youth's unemployment in any country is an indication of far more complex problems (Okafor, 2009). The ILO (2007) report showed that the proportion of world unemployment is steadily increasing and that the number of those without jobs remained at an all time high of more than 195 million or 6.3 percent in 2007. For instance, in 2007, the Middle East and North Africa were the regions with the highest unemployment rate in the world at 12.2 percent, followed by sub-Saharan Africa at nearly 10 percent. East Asia's unemployment rate of 3.6 percent remained the lowest. The report affirmed that population growth especially in South Asia, the Middle East, North Africa and sub-Saharan Africa was putting pressure on job creation.

Unemployment as a global concern is of more dire consequence for youth's employment. Global youth's unemployment rate was projected at 12.7 percent in 2012. This portends immense dangers when understood from the point of view that young people are the next generation of potentially productive economic and social actors. In Africa, youth's unemployment has been a major problem giving rise to other criminal tendencies in the youths and threatens the social-economic peace and stability of the continent (Ajufo, 2013). Therefore, the objective of this paper is to examine how innovation and entrepreneurship can serve as catalysts for reducing youth unemployment in Nigeria. The hypothesis formulated in this study is stated in the null form as: H_0 : there is no significant relationship between innovation, entrepreneurship and youth unemployment in Nigeria. The rest of the paper is organized such that section two is the literature review; section three is the research method, section four is the data estimation and results while section five presents the summary, conclusion and recommendations of the study.

2. LITERATURE REVIEW

Youth Unemployment in Nigeria

According to National Bureau of Statistics (2009, 2010), the national unemployment rates for Nigeria between 2000 and 2009 showed that the number of unemployed persons constituted 13.1 percent in 2000; 13.6 percent in 2001; 12.6 percent in 2002; 14.8 percent in 2003; 13.4 percent in 2004; 11.9 percent in 2005; 13.7 percent in 2006; 14.6 percent in 2007; 14.9 percent in 2008 and 19.4 percent in 2009. As regards the age group, the report shows that as at March 2009 in Nigeria, for persons between the 15 and 24 years, 41.6 percent were unemployed; persons between 25 and 44 years, 17 percent were unemployed. Furthermore, for those with only primary education, 14.8 percent were unemployed, and for those with only secondary education, 23.8 percent were unemployed; while for those with tertiary education, 21.3 percent were unemployed. For those who never attended school and those below primary education, 21.0 and 22.3 percents were unemployed respectively.

According to Awogbenle and Iwuamadi (2010) and Okafor (2011), the statistics from Manpower Board and National Bureau of Statistics showed that Nigeria has a youth population of 80 million, representing over 60 percent of the total population of the country. Also, 64 million are unemployed, while 1.6 million are under-employed. The

1990-2000 data on youth unemployment showed that the largest group of the unemployed is the secondary school graduates. Also, 40 percent of the unemployment rate is among the urban youth aged between 20-24 years and 31 percent of the rate is among those aged 15-19. Also, two-thirds of the urban unemployed range from 15-24 years. According to Osalor (2010), despite achieving an inspiring growth rate of 7 percent per annum since 2001, Nigeria remains crippled with massive unemployment levels that continue to exact a considerable toll on its socio-economic prospects. Credible data on this count is lacking for most of sub-Saharan Africa, but Abuja concedes that 70 percent of the population was jobless as recently as 2007. The Federal Government has since revised the figure to just below 29 percent in accordance with new World Bank findings. Although the percentage drop seems incredible, it still translates to more than 40 million jobless in a country of 148 million. The implications have been especially harsh for Nigerian youths, an estimated 95 percent of whom are without a source of livelihood. These figures only reconfirm the perception that high growth rates have failed to improve Nigeria's entrenched macro-economic deficiencies, born out of decades of failed governance, mismanagement and conflict. The downstream effects of youth unemployment are fuelling rapid alienation and social unrest across the Nigerian landscape, the immediate symptoms of which are evident in the palpable rise in organized crime, armed insurgency, vandalism and drug trafficking.

Human development indices for Africa's second largest economy continue to be appalling despite the country's bountiful resources, escalating oil fortunes and a vigorous reforms programme initiated after the return of democracy in 1999. A 2007 UNDP survey on poverty and extreme deprivation of 108 countries ranked Nigeria at the 80th position, giving it a Human Poverty Index of 37.3 "among the lowest for the entire continent. For a country that earns an estimated \$2.2 million in daily petrodollar revenue, these figures reflect an impudent malaise that has invaded every aspect of Nigerian life (Osalor, 2010). It must be noted that though the above figures may not have captured the totality of youth's unemployment in Nigeria, it however points to the reality of youth unemployment, which portends great danger for the country's stability and national development as unemployment has the potential of raising an army of criminals; as it is often said that *an idle hand is the devil's workshop*.

Causes of Youth Unemployment in Nigeria

Rapid Rural-urban Migration

The rate at which young people move from the rural areas to the urban centers in Nigeria in search of greener pastures is alarming. Many of these youths are fleeing from the poverty in the rural areas. This can be explained in the light of the push-pull factors. The push factors include the pressure resulting from man-land ratio in the rural areas and the existence of serious underemployment arising from the seasonal cycle of climate (Okafor, 2011). This is further compounded by the gross lack of infrastructural facilities in the rural areas, which makes the standard of living in the rural areas unattractive. Since the industries and social amenities are concentrated in the urban areas, youths migrate into the urban areas to seek employment in the industries and ministries, as well as enjoy the comfort which the social amenities offer. According to Sarr (2000), youth migrants in Africa are three times more in number than other migrants. He argues that the urbanization rate of the youth was 32 percent in 1990, compared to less than 25 percent for the non-youth population. He estimated that by the end of the year 2010, over 50 percent of the youths in Africa will be residing in the urban areas where job opportunities are limited to a few modern sectors and establishments.

Rapid Population Growth

Nigeria has continued to experience high rate of population growth. The increasing population growth has produced an overwhelming increase in the youth population thereby resulting in an attendant increase in the size of the working age population. With the 2006 population census in Nigeria, the nation's population was estimated to be 140,431,790 and projection for the future indicates that the population could be over 180 million by the year 2020, given an annual rate of 3.2 percent (National Population Commission and ICF Macro, 2009). This made Nigeria the most populous nation in Africa. The growth in population rate has resulted in rapid growth of the labour force which is far higher than the rate of jobs supply.

Inappropriate School Curricula

Various scholars have argued that as far as the formal sector is concerned, the average Nigerian graduate is unemployable, because of lack of necessary skills needed by the employers of labour for a formal employment. This is attributed to Nigeria's educational system in that the course

content of most tertiary institutions in Nigeria lack entrepreneurial contents that would have enabled graduates to become job creators rather than job seekers. Many graduates in Nigeria lack entrepreneurial skills to facilitate self-employment (Aremu and Ahmed, 2011). To the policy makers and the youth themselves, employment means a job with salary and working for someone else. It is this perception that has continued to influence the educational institutions in Nigeria that provide skills and training. Based on this assumption, curricula and training programmes are generally tailored towards preparing young people for formal sector jobs. But since these jobs do not exist, there is often a mismatch between the skills possessed by the job seekers and the available jobs.

Rapid Expansion of the Educational System

Following the deregulation of education in Nigeria, government has been encouraging the opening of private schools and universities. However, the aggressive creation of more private and public-funded institutions has not been followed or matched with a commensurate job absorption strategy for the many graduates from these educational institutions. Whereas tertiary institutions have grown at multiple progressions, jobs and employers have grown at arithmetic progression (Ajufo, 2013). This has led to the increase in the supply of educated manpower which outstrips the corresponding demand for them. This has contributed greatly to the problem of youth's unemployment in Nigeria. According to Manning and Junanka (1998), the total number of graduates turned out by higher institutions in Nigeria in 1986/87 was 73,339, which rose to 131,016 in 1996/97. According to Musari (2009), about 4.5 million youths enter the labour market every year without any hope of getting employment for life sustenance. Getting jobs for the astronomical increase in the number of graduates produced in Nigeria has been a problem because the economy is too weak to absorb them.

Decline in the Manufacturing Sector

The capacity of the manufacturing sector to absorb youths into its workforce has been hampered by the continuous decline in the sector. In 2009, over 837 factories have collapsed and closed shops. About half of the remaining operating firms have been classified as “ailing”, a situation that poses serious threat to the survival of the manufacturing sector in the country in the next few years (Okafor, 2011). According to a survey carried out as part of its membership operational

audit in January 2010 by the Manufacturers Association of Nigeria (MAN), the 837 figure represents the cumulative aggregate of firms that have shut down operations in 2009 across the country. The MAN survey usually covers five manufacturing enclaves into which the country is divided in terms of manufacturing activities. These include the Lagos, northern, southeast, southwest and south-south areas. The report of the survey showed that in 2009, a total number of 176 firms became terminally ill and collapsed in the northern area, comprising the Kano and Kaduna manufacturing axis. In the southeast area, this comprises Anambra, Enugu, Imo and Abia states, a total number of 178 companies closed shops during the period. While in the south-south area, which comprises Rivers, cross River and Akwa Ibom states, 46 companies shut down operations before December 2009. According to the survey, the southwest area, which comprises Oyo, Ogun, Osun, Ondo, Ekiti, Kogi and Kwara states, lost 225 companies during the year. It said that the Lagos area covering Ikeja, Apapa, Ikorodu and other industrial divisions in the state, followed closely with 214 manufacturing firms closing shop before the end of 2009 (Maiyak, 2010; Okafor, 2008; Osalor, 2010; Oladele and Akeke, 2011; Aremu and Ahmed, 2011; Okafor, 2011).

Corruption

High level of corruption in Nigeria has robbed the country of developing a vibrant economic base in spite of her abundant natural resources. Massive corruption is perpetuated in every sector and has permeated the entire social structure of Nigeria. Funds meant for development projects which could have generated employment have been misappropriated, diverted, or embezzled and stashed away in foreign banks. Endemic corruption has robbed the country of the chance of using more than \$500 billion dollars estimated revenue from the sale of oil in the last 50 years to develop a vibrant economy that would have created jobs for the youths in the various sectors of economy (Okafor, 2005).

Types of Entrepreneurship

The Innovation Factory (2010) has identified four major types of entrepreneurship, viz;

Small Business Entrepreneurship: This consists of people who run their own businesses and hire local employees or family members. Their definition of success is to feed their family and live

comfortably. They fund their business via small business loans or through family and friends this is because they cannot attract venture capitalists.

Scalable Startup Entrepreneurship: These companies start a company with the knowledge that their vision can make an impact on the world. They attract financing from venture capitalists. Their main aim is to search for repeatable and scalable business ventures; they hire the best and brightest in whatever field they want to enter into.

Large Company Entrepreneurship: These have finite life cycles. They pass through sustaining innovation, producing new products which are mostly variants of other products.

Social Entrepreneurship: These focus on creating products and services that solve social needs and problems. Unlike the scalable entrepreneurship their goal is to better the world's economy not to make profit out of it. Hence they may be non-profit, for-profit or hybrid.

3. RESEARH DESIGN

The research design for this study is the purposive survey method. This method enables the researcher to use a representative sample of the entire target population and draw inference on the entire population. The sample survey for this study comprises of five hundred self-employed youths engaged in their private small-scale businesses in Ota town in Ogun State, Nigeria. Questionnaires were administered to these youths. The questionnaires are in a 5-point Likert arrangement from strongly agree to strongly disagree. The questionnaire was designed in two sections; section A covered questions as regards how innovation and entrepreneurship can be used to reduce youth unemployment, while section B covered the general information of the respondents. The data was then analysed using the multivariate regression analysis. This is because multivariate analysis is based on the statistical technique which involves the observation and analysis of more than one statistical variable at a time. For the purpose of this study, multivariate analysis is used because the model has more than one independent variable.

Model Specification

The model used in this study is specified as:

$$ESK = f(INS, ENV, ALS, NWS) \dots\dots\dots (1)$$

Where; ESK represents entrepreneurship skills; this is used as a proxy for youth unemployment; INS represents innovative skills; ENV represents the business environment, ALS represents access to loans and NWS represents the number of employees the business employed.

Stating equation 1 in linear form we have;

$$ESK = \beta_0 + \beta_1INS + \beta_2ENV + \beta_3ALS + \beta_4NWS + U_t \dots\dots\dots (2)$$

Where; β_0 is the intercept; $\beta_1 - \beta_4$ are the slope coefficients and U_t is the stochastic disturbance term. It is expected that the independent variables have a positive relationship with the dependent variable.

4. DATA ESTIMATION AND RESULTS

4.1 Socio-economic Characteristics of Respondents

This study used a sample of 500 unemployed youths doing their private businesses in Ota, Ogun State, Nigeria. Of the total administered questionnaires, 20 were not retrieved representing 4 percent. The data obtained is presented in Table 1. From the table, the age groups of the respondents are 14-19, 20-25 and 26 and above with the corresponding percentages of 12, 30 and 54 respectively. The table also shows that 46 percent of the respondents were males while 50 percent were females. 48 percent of the respondents are Christians while 48 percent are Muslims. 16 percent of the respondents have primary education, 24 percent have secondary education, 40 percent have tertiary education while 16 percent underwent vocational training. As regards the type of business 19.2 percent are into soap making, fashion designing, event planning, beauty enhancement and graphic designing respectively. Also, the data revealed that 17 percent of the respondents used ₦100,000-199,000 as estimated cost of starting their businesses, 19 percent

used ₦200,000-299,000 to set up their businesses, 28 percent, 20 percent and 12 percent of the respondents used ₦300,000-399,000, ₦400,000 – 499,000 and ₦500,000 and above respectively.

Table 1: Frequency Distribution of General Information

ITEM	FREQUENCY	PERCENTAGE (%)
Age		
14-19	60	12
20-25	150	30
26 and above	270	54
No response	20	4
Total	500	100
Sex		
Male	230	46
Female	250	50
No response	20	4
Total	500	100
Religion		
Christianity	240	48
Islam	240	48
No response	20	4
Total	500	100
Educational Qualification		
Primary Education	80	16
Secondary Education	120	24
Tertiary Education	200	40
Vocational Training	80	16
No response	20	4
Total	500	100
Type of Business		
Soap Making	96	19.2
Fashion Designing	96	19.2
Event Planning	96	19.2
Beauty Enhancement	96	19.2
Graphic Designing	96	19.2
No response	20	4
Total	500	100
Estimated Cost of starting the Business		
₦100,000-199,000	85	17
₦200,000-299,000	95	19
₦300,000-399,000	140	28
₦400,000-499,000	100	20
₦500,000 and above	60	12
No response	20	4
Total	500	100

Source: Field Survey, 2015.

4.2 Innovation and Entrepreneurship as ways of reducing Youth Unemployment

Table 2 presents responses from respondents as regards innovation and entrepreneurship being ways of reducing youth unemployment in Nigeria. Twenty out of the 500 questionnaires administered were not retrieved, this represented 4 percent while 480 were retrieved, and this represented 96 percent of the respondents. Concerning the frequency and the percentage of respondents' responses to entrepreneurship helping to reduce youth unemployment, 200 out of the 500 respondents strongly agreed that entrepreneurship can help reduce youth unemployment, 130 agreed, 30 were undecided, 70 disagreed and 50 strongly disagreed. The respondents that strongly agreed represents 40 percent of the total population while 26 percent, 6 percent, 14 percent and 10 percent represent the respondents who agreed, were undecided, disagreed and strongly disagreed respectively. As regards whether loans are easily accessible, 70 out of the 500 respondents strongly agreed, this represents 14 percent of the population. 80 agreed, 50 were undecided, 200 disagreed and 80 strongly disagreed. These represent 16 percent, 10 percent, 40 percent and 16 percent of the total responses respectively.

Out of the 500 respondents, 220 of them strongly agreed that innovativeness spurred them to creativity and entrepreneurship, 90 agreed, 20 were undecided, 60 disagreed and 90 strongly disagreed. These responses represent 44 percent, 18 percent, 4 percent, 12 percent and 18 percent of the total responses respectively. As regards entrepreneurship helping to create employment, 240 respondents strongly agreed, 90 of them agreed, 35 were undecided, 55 disagreed and 60 strongly disagreed. These responses represent 48 percent, 18 percent, 7 percent, 11 percent and 12 percent of the total responses respectively. These responses point to the fact that innovation and entrepreneurship can actually help to reduce youth unemployment in Nigeria. But one of the

barriers that hinder entrepreneurship is the inaccessibility to credit facilities from the financial institutions.

Table 2: Frequency Distribution of the effects of Innovation and Entrepreneurship on Youth Unemployment

ITEM	FREQUENCY	PERCENTAGE (%)
Entrepreneurship helps to reduce youth unemployment		
Strongly agree		
Agree	200	40
Undecided	130	26
Disagree	30	6
Strongly disagree	70	14
No response	50	10
	20	4
Total	500	100
There is easy accessibility to loan from the bank and other non-financial institutions		
Strongly agree	70	14
Agree	80	16
Undecided	50	10
Disagree	200	40
Strongly disagree	80	16
No response	20	4
Total	500	100
Innovativeness spurs you to creativity and made you to be an entrepreneur		
Strongly agree	220	44
Agree	90	18
Undecided	20	4
Disagree	60	12
Strongly disagree	90	18
No response	20	4
Total	500	100
Entrepreneurship helps create employment		
Strongly agree	240	48
Agree	90	18
Undecided	35	7
Disagree	55	11
Strongly disagree	60	12
No response	20	4
Total	500	100

Source: Field Survey, 2014

4.3 Multivariate Analysis

Table 3 shows the result for the multiple regressions. Multivariate analysis is employed because the model has more than one independent variable. From the regression analysis result in Table 3, the dependent variable is ESK which represents entrepreneurship skills. The independent variables are INS, ENV, ALS and NWS which represent the innovative skills, the business environment, access to loans and the number of employees the business employed respectively. The R-squared for this model is 58.2 percent. This implies that 58.2 percent of the variations in the dependent variable are explained by the independent variables. The F-stat for this model is significant at 1 percent level of significance. The *a priori* expectations are met since all the independent variables have positive relationships with the dependent variable. The study used 1 and 5 percent significance levels.

The INS variable is statistically significant in terms of the t-stat which is 2.322. The p-value which is 0.000 is significant at 1 percent level of significance. A unit increase in INS will lead to a 0.279 increase in ESK holding all other variables constant. This implies a positive relationship between the two variables. Therefore, INS is statistically significant in explaining the dependent variable. The ENV variable is statistically significant in terms of t-stat which is 2.374. The p-value which is 0.028 implies that it is significant at 5 percent level of significance. A unit increase in ENV will lead to a 0.129 increase in ESK holding all other variables constant. There is also a positive relationship between the two variables. Therefore, ENV is statistically significant in explaining the dependent variable. The ALS variable is statistically significant in terms of t-stat which is 2.281. The p-value which is 0.023 implies that it is significant at 5 percent level of significance. A unit increase in ALS will lead to a 0.107 increase in ESK holding all the other variables constant. This implies a positive relationship between the two variables.

Therefore, the ALS is statistically significant in explaining the dependent variable. Finally, the NWS variable is statistically significant in terms of the t-stat which is 2.307. The p-value which is 0.004 is significant at 1 percent level of significance. A unit increase in NWS will lead to a 0.268 increase in ESK holding all other variables constant. This implies a positive relationship between the two variables. Therefore, NWS is statistically significant in explaining the dependent variable.

Therefore, from the foregoing results, the H_1 is accepted and the H_0 is rejected. This implies that innovation and entrepreneurship can help reduce, if not eradicate youth unemployment in Nigeria.

Table 3: Regression Analysis of Innovation and Entrepreneurship as ways of reducing Youth Unemployment

Variables	B	S.E	t stat	Sig.
Constant	.517	.156	2.317	.001
INS	.279	.068	2.322	.000
ENV	.129	.054	2.374	.028
ALS	.107	.047	2.281	.023
NWS	.268	.036	2.307	.004
F stat = 26.014 Sig. = 0.000 R square = 0.582				

Source: Computed by the Author, 2015.

5. SUMMARY, RECOMMENDATIONS AND CONCLUSION

This study examined how innovation and entrepreneurship can serve as catalysts for reducing youth unemployment in Nigeria. The objective of the study was to assess the effect of innovation and entrepreneurship on reduction of youth unemployment. In order to achieve this objective, a survey was carried out using questionnaires administered to five hundred self-employed youths doing their private businesses in Ota, Nigeria. Purposive sampling technique was used to select the respondents and the method used to collect the data is self-administered with the aid of a

research assistant. Five hundred (500) questionnaires were administered to the youths; however, only 480 were retrieved from the field. The data collected from the field were analyzed using frequency tables and multiple regression analysis.

Based on the empirical analysis, this study made the following recommendations:

- (i) The government should channel funds into the development of entrepreneurial development studies and strategies that will make youth more creative so that they will stop looking for white collar jobs after graduating from tertiary institutions. This can be achieved by establishing training centres and providing the necessary training equipment required to acquire skills.
- (ii) The youths should be given the opportunity to have easy access to credit facilities from the banks. In view of this, the government through the Central Bank should provide funds to be easily accessed as loans to small and medium scale enterprises (SMEs).
- (iii) Since entrepreneurship creates employment, the youths should be encouraged to establish their own businesses so they can provide job opportunities to the unemployed in the country.

In conclusion, this study is timely because the rate of unemployment in Nigeria is alarming and the government needs to put in place measures to curb the associated hazards such as armed robbery, prostitution, drug trafficking and other social vices that result from unemployment. Thus, this study has been able to draw attention to the fact that the youths need to be empowered via innovation, creativity and entrepreneurship so as to contribute to the reduction of unemployment.

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